PLANNING DIVISION

STAFF REPORT

TO: PLANNING & TRANSPORTATION COMMISSION

FROM: Christopher A. Riordan
Planner

DEPARTMENT: Planning and Community Environment

AGENDA DATE: March 22, 2006

SUBJECT: **49 Wells Avenue [05PLN-00443]:** Request by Jeff Warmoth on behalf of Sand Hill Partners LLC for redevelopment of the property at 49 Wells Avenue via a rezone from the existing Service Commercial (CS) zone district to a Planned Community for the development of a four story building with a ground floor parking garage topped by three levels of residential condominiums totaling 30 units. Environmental assessment: An initial study will be prepared.

RECOMMENDATION:

Staff recommends the Planning and Transportation Commission (Commission) conduct its initial review of the application for rezoning from Service Commercial (CS) to a Planned Community pursuant to PAMC Chapter 18.68, *Planned Community (PC) District Regulations,* Section 18.68.065 and forward the application to the City Council with a recommendation for denial as the required determinations for approval of a PC district cannot be met.

However, if during its initial review the Commission determines that the application has merit with respect to satisfying applicable Comprehensive Plan policies and acts favorably in its initial review of the PC application, an environmental assessment would be prepared and the Architectural Review Board (ARB) would review project plans and make its recommendation on the Planned Community project. The PC application would then return

to the Commission for review of the draft resolution, draft ordinance, environmental document, and project plans prior to Council review.

SUMMARY OF KEY ISSUES:

Existing Conditions

The proposed project site is located at the northwest corner of Wells Avenue and Urban Lane, with frontage on both of those streets. The site area is 16,982 square feet and contains a one story, 17,024 square foot building. Since the existing building covers the entire parcel, there is no parking or landscaping on site. The building is currently in disrepair and has been red-tagged as "Unsafe to Occupy" by the City's Building Department. The zoning and land uses of the surrounding properties are as follows:

Location	Zone District	Existing Use
North	PF Public Facility/Joint Powers Board Right of Way	Public street/Caltrain Parking with railroad tracks beyond
East	PF Public Facility	Palo Alto Medical Foundation
South	PF Public Facility	Palo Alto Medical Foundation
Southwest	PC Planned Community	Westin Hotel
West	PC Planned Community	Sheraton Hotel

Brief Project Description

The project would include the retention of all exterior concrete walls of the existing building. These walls would form the lower floor of the proposed building for use as the parking garage. Constructed on top of the parking garage would be 30 residential condominium units on three levels (see applicant's project description, Attachment C). The 16,972 square foot first floor parking garage would include 43 parking spaces, a telecommuting lobby, and utility space. The condominiums on the upper three floors would total 34,779 square feet. The residential units would include 15 one bedroom units (each 741 square feet) and 15 two bedroom units (each 1,241 square feet).

The subject site is approximately 1000 feet from the Palo Alto Caltrain station providing safe and convenient pedestrian and bicycle access via Urban Lane. The Homer Avenue tunnel would offer pedestrian access to downtown.

The Reason for Changing the Zoning Designation

A table is provided as Attachment E comparing the project features to the CS Service Commercial zone standards (CS). The CS regulations allow multiple family housing as a permitted use. The CS regulations apply PAMC Chapters 18.24 (RM-30) and 18.28 (multiple family guidelines) to residential projects within this zone. The maximum allowable

floor area ratio (FAR) for projects with tuck-under parking is limited to .75 to 1 which includes the floor area of the parking. Under the existing zoning, the project would be limited to 12,736 square feet and the number of residential units would be limited to nine units. Therefore, a PC is proposed to increase residential density and overall floor area.

The proposed FAR for the project would be 2.98 (50,660 square feet) and a density of 77 units per acre for a total of 30 units.

Below Market Rate Units

The proposed project would provide eight Below Market Rate (BMR) housing units. All residential projects of five or more units on parcels less than five acres are required to provide a minimum of 15% of these units as BMR units. The 15% BMR requirement would be applied to the nine units permitted under the existing CS zoning resulting in a BMR requirement of 1.35 units or one unit, in addition to an in-lieu fee for the fractional unit.

1) Program H-38 of the Housing Chapter of the Comprehensive Plan (the City's housing density bonus program) "allows the construction of up to three additional market rate units for each Below Market Rate (BMR) unit above that normally required, up to a maximum zoning increase of 50 percent in density". A 50% increase in density would result in a total of 13 residential units with two units sets aside as BMR units. This BMR calculation pursuant to Program H-38 is as follows:

Base BMR Requirement is 15%:	9.0 times 15%	=	1.35 BMR Units
Density Bonus BMR Rate is 25%:	4.0 times 25%	=	1.0 BMR Unit

Total BMRs = 2.35 - which rounds down to 2.0 required BMR units; the 0.35 fractional unit would be satisfied by payment of a prorated BMR in-lieu fee or the developer could provide a third BMR unit and then no BMR fees would be necessary.

The proposed project would include 21 additional units (which is 77 units per acre on this 0.39 acre parcel) above the nine allowed by the CS zone, resulting in a density increase of 233% over the density permitted by the existing CS zoning, whereas Program H-38 of the Comprehensive Plan only permits up to a fifty (50%) percent density increase.

2) If the current Service Commercial Land Use Plan designation of the site, in combination with a Planned Community zone for the project, permits the proposed 77 units per acre density, then the maximum fifty percent density increase limitation in Program H-38 would not apply. However, in that case, the 21 units in excess of the maximum number of units permitted by the existing CS zone would still be subject to the 25 percent BMR requirement of Program H-38.

The BMR calculation under this interpretation of the Land Use Plan is as follows:

Base BMR Requirement is 15%:	9.0 times 15%	=	1.35 BMR Units
Density Bonus BMR Rate is 25%:	21.0 times 25%	=	5.25 BMR Units

Total BMRs = 6.60 - which rounds up to 7.0 required BMR units

As stated above, the proposed project would include eight BMR units. If the applicant's interpretation of the Land Use Plan and Program H-38 is applied to the project, the result would be one additional BMR unit over what would be required and that one extra BMR unit could be considered part of the project's public benefits.

3) The Land Use Chapter of the Comprehensive Plan discusses the creation of a Transit-Oriented Residential land use designation and its application to under utilized parcels within 2,000 feet of the University Avenue Transit Station (see Policy L-27, Programs L-14 and L-26). The density of Transit-Oriented Residential land uses is a "net density of up to 50 units per acre" (page L-11). The 49 Wells parcel is one of a few under utilized parcels in private ownership within 2,000 feet of the University Avenue Caltrain Station.

At a density limit of 50 units per acre, 19.50 units could be developed on the site's 0.39 acres (this would round down to 19 units) and the BMR requirement would be calculated as follows:

Base BMR Requirement is 15%:	9.0 times 15%	=	1.35 BMR Units
Density Bonus BMR Rate is 25%:	10.0 times 25%	=	2.50 BMR Units

Total BMRs = 3.85 – staff would recommend that the 3.85 units be rounded up to 4 BMRs, which would satisfy the BMR requirement in full.

Parking Spaces

On-street parking is prohibited along the adjacent section of El Camino Real near the intersection with Urban Lane. The supply of on-street parking along Wells Avenue and Urban Lane is utilized by the patrons of the Palo Alto Medical Foundation (PAMF), the Westin Hotel, and the Palo Alto Train Station. Due to the limited number of overspill parking spaces that would be available for the tenants of the proposed project, the Transportation Division does recommend that the project provide its full on-site parking requirement to avoid parking impacts on already impacted adjacent streets.

The Transportation Division has determined that the project would be required to provide 63 parking spaces (53 for residents and 10 for guests). The project would include two tandem parking spaces. To operate effectively these tandem spaces would need to be designated to particular units. Four guest parking spaces would normally be required for a project of 30

units. However, the number of required guest parking spaces is 33% (10 spaces) when more than one parking space in a facility is either assigned or secured. The proposed project would provide 43 parking spaces including two accessible parking spaces. This constitutes a 32% reduction in parking spaces.

PAMC Section 18.83.120(f) allows up to a 20% reduction when effective alternatives to the automobile are available. Another 5% reduction in vehicle spaces may be granted for providing eight additional bicycle parking facility spaces above what is required for each automobile parking space reduction. The project would use the full 20% reduction (11 spaces) and the full 5% reduction (3 spaces) for providing 24 additional bicycle racks above the 33 bicycle spaces that are required for total of 57. The applicant's justification for these parking reductions is based on the proposed projects close proximity to Downtown Palo Alto, Stanford University, and the fact that the University Avenue multi modal station is within walking distance.

The Transportation Division has determined that some parking reductions may be warranted given the proximity of the Palo Alto Caltrain Station and the Valley Transportation Agency (VTA) bus service along El Camino Real. Based on the County of Santa Clara's Congestion Management Program, a parking reduction of 9% (five parking spaces) could be applied for housing project within 2000 feet of a Caltrain station or a reduction of 2% (one parking space) could be applied for a housing project within 2000 feet of a major bus stop. The two reductions cannot be combined.

The Transportation Division has determined that despite the change of use from warehouse to residential, there would not be a need for a traffic study. Converting the existing warehouse space to 30 condominiums is expected to result in a net increase of 118 new daily trips, seven new a.m. peak hour and 11 new p.m. peak hour trips. The proposed project would be mostly accessed via El Camino Real which is a major regional road that could accommodate the additional traffic.

Public Benefits

The planned community district is intended for unified, comprehensively planned developments, which are of substantial benefit, and which conform to the policies and programs of the Palo Alto Comprehensive Plan. One of the three findings that must be met for approval of a planned community is the provision of public benefits. PAMC Section 18.68.060(b), states that "development of a site under the provisions of the PC planned community district will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts". In making the findings required by this section, the Commission and the City Council are asked to specifically cite the public benefits expected as a result from use of the planned community district.

The public benefits proposed by the applicant as listed in their Development Program Statement (Attachment C), are the following:

- Increasing the amount of the City's residential housing stock.
- The location of housing in close proximity to jobs and mass transit.
- The conversion of under utilized non-residential sites to residential uses.
- The construction of 30 residential units (15 one bedroom units (each 741 square feet) and 15 two bedroom units (each 1,241 square feet) that would be affordably priced.
- Provision of an increase in the number of BMR units above what is normally required.
- Adaptive reuse of the concrete walls of the existing warehouse thereby decreasing the material diverted to landfills and increasing the sustainable nature of the project.

The applicant has also listed numerous Comprehensive Plan polices in Attachment C that they believe the project would be in conformance with.

It should be noted that the city has historically not recognized the uses in a proposed Planned Community project as a fulfillment of the public benefit requirement. The public benefit has traditionally been an element or feature that will benefit the general public, not just those that use the project. However, it would be difficult to count additional BMR units as a public benefit in this case since the project directly benefits by an associated increase in the number of market rate units. Staff may have supported the project had the applicant proposed significant reduction in the number of market rate units.

Program H-10 of the Comprehensive Plan identifies the need for affordable housing within the City and does recommend, as part of the Zoning Ordinance Update, the creation of a Planned Development Zone for innovative housing types without the requirement for a public benefit finding as currently required in the creation of a PC district. This zone would be applicable to those projects that significantly increase the number of affordable housing units on a site over what would otherwise be allowed by existing zoning. While Program H-10 has yet to be implemented, the proposed project would not qualify given its low number of proposed BMR housing units in proportion to the market rate units.

TIMELINE:

Action:	Date:
Application Received:	December 14, 2005
Application Deemed Complete:	March 2, 2006
Initial P&TC Meeting:	March 22, 2006
Architectural Review Board:	TBD

P&TC Meeting: TBD
City Council Meeting: TBD

ENVIRONMENTAL REVIEW:

Environmental review would begin after the initial Planning and Transportation Commission hearing, if a favorable review results. An Initial Study and subsequent environmental documents in compliance with the California Environmental Quality Act would be required prior to a formal hearing by the Architectural Review Board.

ATTACHMENTS:

A. Location Map
B. Aerial Photo
C. Applicant Submittal
D. Comprehensive Plan Table
E. Zoning Table

COURTESY COPIES:

1. Jeff Warmoth, Sand Hill Property Company
2. Dennis Cook, Steinberg Associates

Prepared by: Christopher Alan Riordan, AICP, Senior Planner

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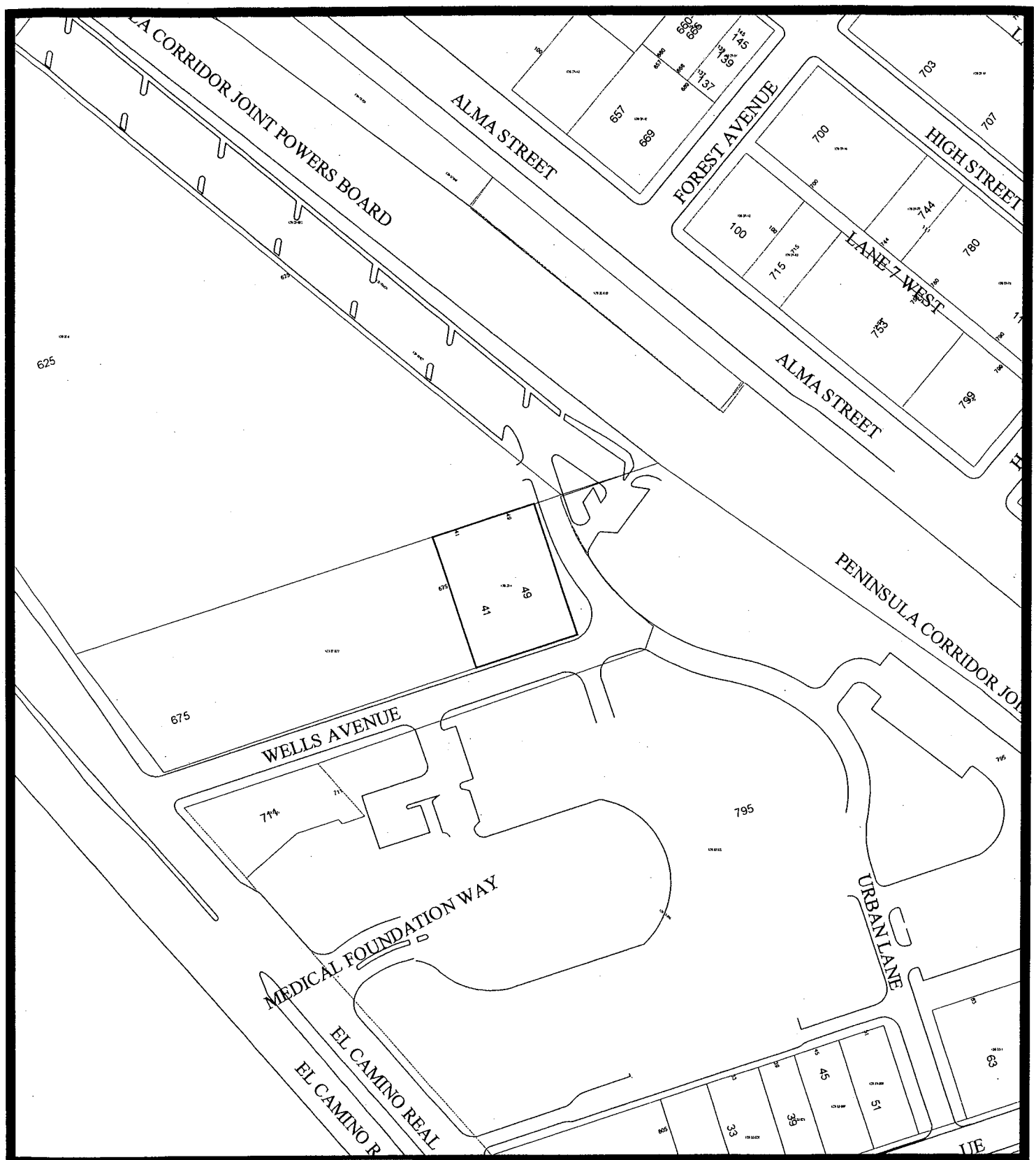
Steve Emslie, Planning Director



The City of Palo Alto

ATTACHMENT A

49 Wells Avenue Location Map

This map is a product of the City of Palo Alto GIS

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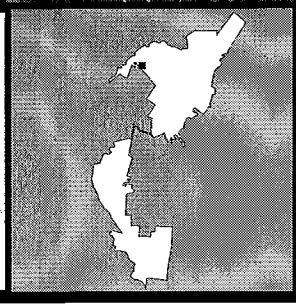
The City of
Palo Alto



49 Wells Avenue

2001 Aerial Photo

Attachment B

This map is a product of the City of Palo Alto GIS

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49 Wells Avenue – Development Program Statement

The primary goal of the proposed land use and project design is to create a vibrant pedestrian and transportation-oriented residential development. The site is located proximate to both the Palo Alto Intermodal Transit Center, the Homer Avenue pedestrian and bicycle undercrossing, and the Urban Lane bike path. Residents will have easy, direct pedestrian and bicycle access to Caltrain, VTA, and the Palo Alto Shuttle transportation services, to downtown Palo Alto, to Stanford University, and to the Stanford Shopping Center, thereby significantly reducing the residents' reliance on automobile transportation. In addition, the Telecommuting Lobby will provide residents with an onsite location to conduct work, side by side with other residents.

The proposed project contains thirty residential units – fifteen (15) one-bedroom units (each 741 square feet) and fifteen (15) two-bedroom units (each 1,241 square feet). The residential units are smaller, and are intended to more affordable ("attainable"), than the majority of new residential units being constructed in the marketplace. The ground floor of the building consists of the existing fifteen (15) foot tall cast-in place concrete walls. Within the ground level are the vehicle and bicycle parking garage, and the entrance and elevator lobbies. The second, third and fourth levels are the residential levels.

The second level contains the outdoor courtyard. The courtyard location allows mid-day through afternoon sunlight to penetrate into the project. Some of the best views from the site (toward the southwest) are preserved and offered to all residents from the courtyard. Landscaping, hardscaping and outdoor furniture will provide shade, color, interest, and an outdoor place for residents to gather. The height of the building is primarily 42' 6", although some of the architectural elements extend to a height of 50' 0".

The proposed project is an adaptive reuse of the concrete walls of the existing warehouse, which provides a unique design opportunity, and which minimizes the impact on landfills resulting from demolition. The reuse creates an inherent drama in the way that the newer upper floors seem to rise out of the existing warehouse. The design uses a limited amount of

long-lasting metal paneling to accent the primarily plaster body and the original warehouse concrete walls. The residential units have large window expanses to provide views and natural light and ventilation.

The parking garage contains 43 vehicle parking spaces, including the required accessible parking space and van-accessible parking space, and 46 bicycle spaces (the current plan shows 21 bicycle spaces, but the project would provide 46 bicycle spaces). The number of vehicle parking spaces is substantially consistent with Chapter 18.83 for off-street parking: specifically, the standards for "multiple-family residential use" (Section 18.83.050 - Table 1. Minimum Off-Street Parking Requirements) assuming the project is approved using the up to 20% reduction pursuant to Section 18.83.120 (f), Transportation and Parking Alternatives, and the up to 5% reduction pursuant to Section 18.83.120 (a), Substitution of Bicycle Facilities for Required Vehicle Facilities. The reduction of two vehicle parking spaces for the substitution of bicycle facilities for required vehicle facilities is based upon the provision of 46 bicycle spaces where 30 are required. The property is adjacent to the Caltrain parking lot.

Proposed - With up to 20% Reduction for Transportation Alternatives and with up to 5% reduction for Substitution of Bicycle Facilities for Required Vehicle Facilities	
Gross Parking Required without Reductions	**56.5**
Reduction for Bicycle Facilities	**-2.0**
Reduction for Transportation Alternatives (20% of 56.5)	**-11.3**
Net Parking Required with Reductions	**43.2**
Parking Available	**43.0**
Comparison to Required Spaces	**-0.2**

49 Wells Avenue – Planned Community District

Sand Hill Property Company proposes to develop the proposed project as a Planned Community (PC) District in order to allow for greater flexibility. Because the proposed project is an adaptive re-use of the existing warehouse, and because the proposed project is surrounded by fully improved properties, **"[t]he site is so situated and the use ... proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow the proposed development."**

In addition, the proposed project meets the required finding that **"[d]evelopment of the site under the provisions of the PC district will result in public benefits not otherwise attainable by application of regulations of general districts or combining districts."** In addition to the general public benefits of the project (such as, increasing the housing supply; locating housing in close proximity to jobs and major transportation hubs and routes; conversion of non-residential lands to residential use; and, the construction of smaller, more "attainable," residential unit sizes), the project significantly increases the number of below-market rate ("BMR") units to a total of 8 BMR units. The standard requirement for a 30 unit project would be 4.50 BMR units (computed as 15% of the proposed 30 residential units). Please note that one alternate interpretation of Program H-38 of the Comprehensive Plan would calculate the requirement at 6.60 BMR units (23.3% of the proposed 30 residential units). Thus, the primary public benefit is that the proposed project will provide a 78% increase in the number of required BMR units (or a 21% increase under the alternate interpretation). Moreover, the proposed project will provide 6.25 more BMR units – a 450% increase in the number of BMR units - than would be provided under the current CS Zoning classification. This significant increase is consistent with Program H-10 of the Comprehensive Plan that states: "[a]s part of the Zoning Ordinance Update process, create a Planned Development zone that allows the construction of ... innovative housing types without the requirement for a public benefit finding provided that the project significantly increases the number of affordable housing units on the site over what would otherwise be allowed by existing zoning." The notes to Program H-10 continue: "[b]ecause there is such a strong need for

housing in the City, the requirement for a public benefit finding can be eliminated if the project significantly increases the affordable housing supply over what would otherwise be allowed by existing zoning."

No discussion of public benefit would be complete without reference to the provisions of the Comprehensive Plan that call for incentives from the City for the type of project being proposed. For example, Program H- 6, and its notes state: "[a]s part of the Zoning Ordinance Update process, create zoning incentives that encourage the development of diverse housing types, such as smaller, more affordable units.... (Program H-6) "By providing incentives to develop housing units of less than 1,200 square feet, the affordability and number of potential units can be increased. Incentives to develop such housing should be pursued. Incentives might include reduced parking or open space requirements, density bonuses ...."

Finally, **"[t]he use ... and the site development regulations applicable within the district" are consistent with the Comprehensive Plan. The proposed residential use is compatible with the existing uses on the adjoining properties and within the general vicinity."** Specifically, the proposed residential use is compatible with the adjoining uses; namely, Palo Alto Medical Foundation Campus, including the new Clark Building, the Westin Hotel and the Sheraton Hotel. Since all of the adjoining uses are of fairly recent to new construction; it is likely that such uses will be the same for a long period of time.

49 Wells Avenue – Development Schedule

The approval process will commence with public hearing by the Planning Commission; followed by a hearing by the Architectural Review Board; then, return to the Planning Commission for a recommendation for the City Council; then, to the City Council for approval of the project. It is estimated that the entire process will take between 6 and 9 months. The construction drawing process is expected to take approximately 3 months. The building permit plan checking process is expected to take approximately 3 months. The construction process is expected to take approximately 9 to 12 months. The project will be completed in one construction phase.

49 Wells Avenue – Conformance with the Comprehensive Plan

The proposed project conforms with and enhances the Palo Alto Comprehensive Plan. Specifically, the proposed project is consistent with the Vision Statement, as well as numerous Goals, Policies and Programs from the Palo Alto Comprehensive Plan Chapter 4: Housing Element.

- "The City is committed to increasing the development of affordable and market-rate housing, including converting non-residential lands to residential or mixed use." (Vision Statement)

- "Palo Alto has an extremely limited supply of vacant residential land. Most of the City's development potential consists of . . . conversion of under utilized non-residential lands to higher density residential or mixed use projects." (Housing Opportunities)

- "The Comprehensive Plan's policies and programs promote a variety of housing opportunities for all income ranges." (Goal H-1)

- "Identify and implement a variety of strategies to increase housing density and diversity in appropriate locations. Emphasize and encourage the development of affordable and attainable housing." (Policy H-2)

- Increase density immediately surrounding commercial areas and particularly near transit stations by either increasing allowed densities or encouraging development at the higher end of the density range for sites within 2.000 feet of an existing or planned transit station or along major transit corridors, El Camino Real and San Antonio Road, wherever appropriate ." (from Program H-1) "Allowing increased density in these areas achieves a number of important

objectives. It allows the housing supply to be increased while minimizing visual and physical impacts on nearby lower density areas. It also encourages the use of transit, reduces auto dependency, and supports the City's air quality goals." (notes to Program H-1)

- "Encourage the conversion of non-residential lands to residential use to both increase the supply of housing, particularly affordable housing, and decrease the potential for the creation of new jobs that exacerbate the need for new housing. Land use and development applications that propose the conversion of non-residential land to residential or mixed use development will be given preferential or priority processing to encourage such conversion." (from Program H-3) "This type of conversion should assist the City in reducing traffic congestion and poor air quality by bringing housing closer to employment centers. This would allow for the internalization of commute trips and encourage the use of alternative modes of transportation due to increased proximity of housing and jobs." (notes to Program H-3)

- "Create new zoning districts to implement the Transit-Oriented Residential and Village Residential designations and establish development standards that allow the maximum amount of housing, particularly for affordable housing projects, permitted under the allowed density range while preserving the character of adjacent neighborhoods." (from Program H-5 – New Development Standards and Zoning Districts) "Certain Comprehensive Plan land use designations, such as Transit-Oriented Residential, have not been implemented because the City has no corresponding zoning district which can be used to take advantage of sites near transit stations. The creation of new zoning districts is essential to Palo Alto's strategy of reusing non-residential developed lands for residential use to increase the City's housing supply and more efficiently use the limited land

available for housing.... Since housing supplies are so limited, the loss of development potential on any residential site must be discouraged. The purpose of the programs listed above is to ensure that Palo Alto efficiently uses its limited land supply and makes the most of its opportunities to provide both market rate and affordable housing." (notes to Program H-5)

- "As part of the Zoning Ordinance Update process, create zoning incentives that encourage the development of diverse housing types, such as smaller, more affordable units.... (from Program H-6) "By providing incentives to develop housing units of less than 1,200 square feet, the affordability and number of potential units can be increased. Incentives to develop such housing should be pursued. Incentives might include reduced parking or open space requirements, density bonuses ...." (notes to Program H-6)

- "As part of the Zoning Ordinance Update process, create a Planned Development zone that allows the construction of .... innovative housing types without the requirement for a public benefit finding provided that the project significantly increases the number of affordable housing units on the site over what would otherwise be allowed by existing zoning." (from Program H-10) "Because there is such a strong need for housing in the City, the requirement for a public benefit finding can be eliminated if the project significantly increases the affordable housing supply over what would otherwise be allowed by existing zoning." (notes to Program H-10)

- "As part of the Zoning Ordinance Update process, amend the Zoning Code to reduce parking requirements for higher density development in appropriate areas thus reducing development costs and producing housing that is more affordable . . . parking reductions should primarily be considered for Transit-Oriented development . . ." (from Program H-12)

- "Continue to support the re-designation of suitable vacant or underutilized lands for housing or mixed use containing housing." (Policy H-3)

- "Convert sites near transit and other major transportation facilities to higher density residential and mixed use to reinforce the City's policies supporting transit use, create a pedestrian friendly environment, and reduce reliance on the automobile as well as increase the supply of housing, consistent with the City's policies of encouraging compact, infill development and optimizing the use of existing urban services." (from Program H-13)

- "Conduct a special study of the El Camino Real transportation corridor to examine in detail the potential for developing higher density housing, especially affordable housing, on specific residential or non-residential sites.... The El Camino transportation corridor provides a significant opportunity to plan for new residential or appropriate mixed uses that can support affordable housing and take advantage of the frequent bus service provided along this corridor. A substantial portion of the City's future housing supply may be provided on the underutilized commercial sites located along this corridor . . . (from Program H-15)

- "As a part of the Zoning Ordinance Update process, evaluate and improve existing incentives that encourage .... residential development on commercially zoned land and establish development standards that will encourage development of the maximum amount of housing permitted under the allowed density range, particularly for projects that provide affordable housing." (from Program H-16)

Attachment D

Comprehensive Plan Table

Land Use and Community Design
Policy L-3

Guide development to respect views of the foothills and East Bay hills from public streets in the developed portions of the City.

Due to the 50 foot tall height of the proposed project, it would likely remove foothills views from Urban Lane and the Joint Powers Board Right of Way.

Land Use and Community Design
Policy L-73

Consider public art and cultural facilities as a public benefit in connection with new development projects. Consider incentives for including public are in large development projects.

The project would not include public art as a public benefit

Policy L-75

Minimize the negative physical impacts of parking lots. Locate parking behind buildings or underground whenever possible.

The proposed parking would not be visible from public streets. Surface parking would be located on the first floor of the building. A door on the east elevation facing Urban Lane would provide access to the parking.

Transportation

Policy T-1

Make land use decisions that encourage walking, bicycling, and public transit use.

The proposed project would be in close proximity to the University Avenue multi-model station and would be within walking distance to the University Avenue business district and Stanford University.

Program T-3

Locate higher density development along transit corridors and near multi modal transit stations

The project would include 30 residential units within easy walking distance from the University Avenue multi-modal station and the El Camino Real transit corridor.

Program T-12

Encourage telecommuting, satellite office concepts, and work-at-home options.

The project would include a telecommuting lobby on the first floor. This telecommuting lobby would include work spaces with high speed data connections thereby providing a satellite office opportunity for tenants to work from home.

Housing

Program H-1

Increase housing density immediately surrounding commercial areas and particularly near transit stations by either increasing allowed densities or encourage development at the higher end of the existing density range for sites within 2,000 feet of an existing or planned transit station, or along major transit corridors such as El Camino Real.

At the proposed 30 residential units, the project would equate to 77 units per acre, well above the maximum density range of RM-40. This increased density would be located approximately 1,000 feet, well within walking distance of the Palo Alto multi modal transit station and El Camino Real. Downtown Palo Alto would be easily accessible via the Homer Avenue tunnel

Policy H-3

Support the designation of vacant or underutilized land for housing.

The project site is underutilized as warehouse space. The project would replace the warehouse space with 30 residential housing units with easy access to transit and a commercial center.

Policy H-4

Encourage mixed use projects as a means of increasing the housing supply while promoting diversity and neighborhood vitality.

The proposed project would be constructed as a Research and Development and Residential Mixed Use project, adding 177 living units to the housing supply and revitalizing an underutilized industrial site.

Policy H-8

Maintain the number of multifamily residential housing units in Palo Alto at no less than its current level while supporting efforts to increase the rental supply.

The project would add 30 multi-family units to Palo Alto's supply of housing.

Attachment E

Comparison between existing CS zoning and Planned Community
(RM-30 regulations are applicable by reference
for residential projects in the CS zone)

Feature	**Existing Building and Site Conditions**	**CS /RM-30**	**Proposed Planned Community**
Minimum Site Area	16,982 sq. ft. (.39 acres)	No Requirement	16,982 sq. ft. (.39 acres)
Min. Site Width	115 ft.	No Requirement	115 feet
Min. Site Depth	148 ft.	No Requirement	148 ft.
Front Setback	0	20 ft.	0
Interior Side and Rear Yards	0	10 ft. 1st story 25 ft. 2nd – 4th stories	0
Street Side Yard	0	16 feet	0
Floor Area Ratio	1.0 (16,982 sq. ft)	.75 (12,736 sq. ft)	2.98 (50,660 sq. ft.)
Residential Density*	NA	30 units per acre for a total of nine units	77 units per acre for total of 30 units
Required Below Market Rate Units	NA	1 unit	5 units
H-38 Density Bonus	NA	13 units (50% increase in allowed density)	NA
Allowable Bonus BMR units	NA	1 unit (total of two BMR units)	3 (total of eight BMR units proposed)
Site Coverage	100%	40%	100%
Building Height	15 Feet	35 ft.	51 feet to top of elevator tower
Open Space	NA	.30 (5,095 sq. ft. on ground floor) Each unit shall have a balcony of not less than 50 sq. ft.	100% of units have balconies approximately 50 square feet. Landscaped courtyard on second floor.
Off Street Parking Spaces	17 spaces (1 per 1000 sq. ft. of gross floor area). These	63 spaces	(20% deduction allowed for proximity to transit and 5% reduction for

	spaces are not being provided.		additional bike racks = 43 spaces provided)
Accessible Parking Spaces	1 space. This space is not being provided.	3 spaces for a 63 space parking facility	2 spaces including 1 van accessible space required for a 43 space parking facility
Bicycle Parking Spaces	2 spaces. Not being provided	33 spaces	54 rack spaces per applicant's letter. 24 more than required to offset loss of three automobile spaces

* The Transit-Oriented Residential Land Use Definition per the Comprehensive Plan would limit residential density to 50 units per acre (20 units)